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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92063448
Party	Defendant Cormorant Group LLC
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Date	08/25/2016
Attachments	Reply to Petitioners Opposition to Motion to Set Aside Default Judgment.pdf(150076 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of:

Registration No.: 3,810,927

Registered: June 29, 2010 in the name of Cormorant Group, LLC

Mark: TERRAFINA

International Classes: 29, 30 and 31

<p>LA TERRA FINA USA, INC.,</p> <p style="text-align: center;">Petitioner,</p> <p style="text-align: center;">v.</p> <p>CORMORANT GROUP LLC,</p> <p style="text-align: center;">Respondent.</p>	<p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p>	<p>Cancellation No. 92063448</p> <p>REPLY TO PETITIONER’S OPPOSITION TO MOTION TO SET ASIDE DEFAULT JUDGMENT</p>
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Registrant/Respondent Cormorant Group LLC (hereinafter, “Respondent” or “Cormorant”), by its attorneys Amster, Rothstein & Ebenstein, LLP, hereby replies to the Opposition to Respondent’s Motion to Set Aside Default Judgment filed by Petitioner La Terra Fina USA, Inc. (“Petitioner”). Pursuant to the Trademark Trial and Appeal Board Manual of Procedure (“TBMP”), Trademark Federal Statutes and Rules (“TFSR”) and the Federal Rules of Civil Procedure, Respondent respectfully submits that Petitioner’s Opposition is without merit and asks the Board to Set Aside Default Judgment.

I. Introduction

Petitioner’s argument has a number of flaws. Most importantly, it fails to show that Cormorant had actual notice of the present cancellation proceeding. Instead, Petitioner reveals that

the failure of Cormorant to receive actual notice is a direct result of its own actions, confirming that the default judgment should be set aside. Cormorant should have a chance to respond to the Petition for Cancellation on the merits.

II. Legal Argument

Petitioner's argument focuses on its own compliance with TTAB rules of service. These arguments disregard the fundamental principal in American law that actual notice of a proceeding is necessary to subject a party to the jurisdiction of a tribunal. *See Smart Inventions, Inc. v. TMB Products LLC*, Cancellation No. 92043691, Board's Decision to Set Aside Judgment, slip op. at 4 (TTAB Nov. 1, 2006). As explained in both Mr. Locke's declaration and Cormorant's motion, Cormorant never received notice and was unaware of this TTAB proceeding. Therefore, the TTAB had no jurisdiction over Cormorant.

Petitioner repeatedly points out that there is a presumption that the Petition for Cancellation is received by Respondent if the petition was not returned to sender. That presumption is rebuttable. *See Careerxchange, Inc. v. Corpnet Infohub, Ltd.*, 2005 TTAB LEXIS 569, at *18, 80 U.S.P.Q.2D (BNA) 1046 (TTAB 2005). Petitioner cited to *Careerexchange*, a case in which the presumption was rebutted. This Board determined that when a notification of a proceeding was mailed to an out-of-date address, as it was in the present matter, the presumption of receipt was rebutted. *Id.* In *Careerexchange*, the Board granted respondent's motion for relief from judgment because the respondent had rebutted the presumption of receipt of the notification of the cancellation proceeding. It was clear that the respondent was unaware of the proceeding, and because "it [was] apparent that petitioner, at some point, knew how to contact respondent, but did not so inform the Board." *Id.* at *19.

Here we see the same facts. Petitioner mailed the Petition for Cancellation to an out-of-date address. *See* Declaration of James Locke ¶ 7. Respondent was unaware of the proceeding. *See* Declaration of James Locke ¶ 11. Petitioner was able to contact Respondent (and, in fact, did so) but did not inform it of the proceeding. *See* Declaration of Kayla Jimenez ¶¶ 3, 6; *see also* Declaration of James Locke ¶ 9. Just as in *Careerexchange*, relief from judgment should be granted, and Cormorant should have an opportunity to be heard on the merits before this tribunal.

Oddly, Petitioner admits it knew how to contact Cormorant and chose not to provide Cormorant with actual notice of the proceeding. Rather than observing the common protocol of sending a courtesy copy to Cormorant’s counsel, Petitioner’s only attempt at notifying Cormorant that it was attempting to cancel a trademark registration was to intentionally send a copy of the notice to an address that *it knew was out-of-date*. This type of behavior suggests that Petitioner was specifically seeking to avoid having this tribunal hear the merits of this case and instead attempted to assure a competitive advantage by exploiting a technicality. Such behavior should not be rewarded.

In its Opposition, Petitioner further argues that Cormorant violated the Parties’ Settlement Agreement by continuing to sell “veggie chips” and “salted sesame sticks” under the TERRAFINA brand after a notice and cure period. *See, e.g.*, Opposition at 7 (“Moreover, in spite of this ongoing dispute, Respondent continues to sell “veggie chips” and “salted sesame sticks” under the TERRAFINA brand in violation of the Settlement Agreement.”) The Board has no jurisdiction to address such an issue. *See* TBMP § 605.03(d) (“If an agreement settling an inter partes proceeding before the Board is breached by one of the parties, an adverse party’s remedy is by way of civil action. ***The Board has no jurisdiction to enforce such an agreement.***”) (emphasis added). The TTAB does not adjudicate settlement agreements, and so Petitioner cannot win on the merits.

Petitioner's description of its communications with Cormorant reveals further inappropriate actions. Petitioner's counsel Kayla Jimenez acknowledges that Cormorant was represented by counsel. *See* Petitioner's Response at 6. Simultaneously, Ms. Jimenez acknowledges direct communication with James Locke, a member of Respondent. *See* Declaration of Kayla Jimenez ¶¶ 3, 6. As a member of Cormorant, Mr. Locke is considered to be represented by Cormorant's counsel. Ms. Jimenez admits that she spoke to Mr. Locke concerning whether Cormorant was selling products that Petitioner alleged were infringing. *See* Declaration of Kayla Jimenez ¶¶ 3, 6. Such a conversation would be in direct violation of the Rules of Professional Conduct of both the California Bar and the USPTO, which both prohibit attorneys communicating with a represented party. *See* California Bar Rules of Professional Conduct Rule 2-100 ("While representing a client, a member shall not communicate directly or indirectly about the subject of the representation with a party the member knows to be represented by another lawyer in the matter, unless the member has the consent of the other lawyer."); *see also* USPTO Rules of Professional Conduct, 37 C.F.R. § 11.402 ("In representing a client, a practitioner shall not communicate about the subject of the representation with a person the practitioner knows to be represented by another practitioner in the matter, unless the practitioner has the consent of the other practitioner or is authorized to do so by law, rule, or a court order.") If we presume that Ms. Jimenez has not breached her ethical duties by communicating with Mr. Locke directly, then the reliability of her declaration must be questioned.

Lastly, among its myriad unsupported claims, Petitioner makes certain presumptions about Cormorant's knowledge, including that Cormorant was aware of the due date of its Declaration of Use and therefore must have known about this cancellation proceeding. Such presumptions are not correct. As set forth in Respondent's motion, Cormorant and present counsel had no knowledge of the cancellation proceeding until June 29, 2016. *See* Declaration of James Locke ¶¶ 10-11.

III. CONCLUSION

The Board should set aside the default judgment and allow Cormorant to respond to Petitioner's Petition to Cancel on the merits.

Respectfully submitted this 25th day of August, 2016.

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CERTIFICATE OF SERVICE

I hereby certify that I caused to be served via First Class U.S. Mail and a courtesy copy by e-mail on August 25, 2016 a copy of the foregoing **REPLY TO PETITIONER'S OPPOSITION TO MOTION TO SET ASIDE DEFAULT JUDGMENT** upon attorneys for Petitioner:

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